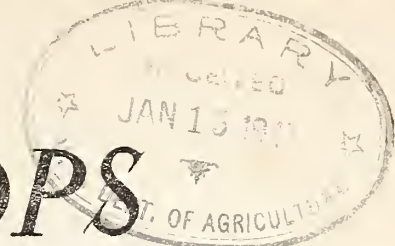


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FOREIGN CROPS and MARKETS

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF FOREIGN AGRICULTURAL RELATIONS
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IN THIS ISSUE

	Page
LATE CABLES	490
GRAINS -	
United States August Wheat Exports Above Last Year	491
Canada Moves to Relieve Difficult Feed Situation.....	491
Canadian Corn Production Increases	494
VEGETABLE OILS AND OILSEEDS -	
Chinese Vegetable Oilseed Exports Heavier Than First Half of 1940.....	495
COTTON - OTHER FIBERS -	
Spanish Cotton Mills Increase Operations.....	496
Ecuador Expects Larger Cotton Crop This Year.....	497
Bolivia Increases Import Duties to Encourage Cotton Growing.....	498
TOBACCO -	
Orient Supplies of Flue-Cured Tobacco Further Reduced.....	499
Flue-Cured Tobacco Grown in West China.....	500
FRUITS, VEGETABLES, AND NUTS -	
Cuban Grapefruit Export Season Opened in August.....	501
United States Fruit Exports at Low Level in 1940-41.....	501
Record 1941 Apple Crop in Chosen	503
War Curtails Pineapple Exports From British Malaya.....	503
LIVESTOCK AND ANIMAL PRODUCTS -	
Danish Dairy and Poultry Industry Seriously Curtailed by War.....	506
Cuban Imports of American Lard Larger This Year.....	508
New Zeland Experiments with New Method of Packing Meat.....	508
GENERAL AND MISCELLANEOUS -	
The Argentine-United States Trade Agreement.....	509

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L A T E C A B L E S

First official estimate places 1941 Egyptian cotton crop at 1,647,000 bales (including linters) compared with first estimate for 1940 of 1,893,000 bales and a final estimate of 1,900,000 bales.

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Livestock numbers in New Zealand as of January 1941, according to preliminary official estimates were as follows, with comparisons for 1940 in parentheses: Cattle 4,576,000 (4,533,000); dairy cows in milk 1,777,000 (1,740,000); hogs 767,000 (714,000); sheep (April) 31,771,000 (31,063,000).

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Declared exports of South African wool to the United States in September were as follows: Grease wool 1,401,680 pounds, scoured 179,528 pounds. During first 3 months of season (July-September) declared exports to the United States totaled 8,172,000 pounds, an increase of 221 percent compared with a year earlier. The highest grease prices for wool realized at these appraisals were 34.72 cents per pound for super 12-month 70's; 34.10 cents for combing wool 60/64's; and 31.83 cents for super 12-month 70's and over, with 30.79 cents for 70's, bulk combing quality.

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G R A I N S

UNITED STATES AUGUST WHEAT EXPORTS
ABOVE LAST YEAR . . .

Exports of wheat, including flour as grain, from the United States during August this year totaled 3.1 million bushels, as compared with about 3.0 million last year. Over half the total was made up of flour from domestic wheat, which resulted largely from the Government export program and continues the trend noted throughout the 1940-41 season. Exports of wheat as grain fell to 769,000 bushels as against 934,000 in August 1940, while flour milled in bond from foreign wheat amounted to 691,000 bushels, or a gain of 78,000 bushels over the comparable figure for last year.

Total exports of wheat and flour during July-August fell about 1.1 million bushels below the comparable figure for 1940 of 6.7 million bushels. In the corresponding period of 1939, they were almost three times as large, with shipments of wheat as grain alone amounting to nearly 9 million bushels.

UNITED STATES: Exports of wheat and flour,
August 1941, with comparisons

Period	Wheat	Flour				Wheat incl. flour
		Wholly of U.S. wheat	From other wheat			
	1,000	1,000	1,000	1,000	1,000	1,000
July-June	bushels	barrels	bushels	barrels	bushels	bushels
1939-40 .	23,636	4,517	21,232	2,001	9,406	54,274
1940-41 a/	10,810	4,866	22,870	1,464	6,882	40,562
July-August						
1939	8,921	1,208	5,679	341	1,605	16,205
1940	2,821	562	2,641	258	1,212	6,674
1941 a/ .	798	781	3,672	230	1,080	5,550
August						
1939	5,903	471	2,212	175	820	8,935
1940	934	304	1,429	130	613	2,976
1941 a/ .	769	357	1,677	147	691	3,137

Compiled from official records, Bureau of Foreign and Domestic Commerce.
a/ Preliminary.

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CANADA MOVES TO RELIEVE
DIFFICULT FEED SITUATION . . .

As a result of unfavorable crop returns, particularly in eastern Provinces, and an expected increase in the demand for livestock feeding, the Canadian Government has passed several measures directed toward

improving the domestic feed-supply situation, according to information received in the Office of Foreign Agricultural Relations. Among them were the recent appointment of a controller of feed grains by the Agricultural supplies Board and the announcement of a federal subsidy of one-third of the freight charges on feed grains shipped from western to eastern Canada. The licensing of all mill-feed exports became effective July 15, 1941, and of certain feed grains and low-grade wheat on August 25, 1941 (for a discussion of which see Foreign Crops and Markets, July 28 and September 8, 1941). Similar action was taken on July 31 with regard to concentrates used for feed and on August 26 was extended to alfalfa, alfalfa meal, and all kinds of hay and straw.

CANADA: Feed-grain supplies for the marketing years,
August-July 1940-41 and 1941-42

Item	Western Provinces		Eastern Provinces		Total Canada	
	1940-41:	1941-42:	1940-41:	1941-42:	1940-41:	1941-42:
	1,000	1,000	1,000	1,000	1,000	1,000
	short	short	short	short	short	short
	tons	tons	tons	tons	tons	tons
Production a/						
Oats b/	3,994	3,848	2,475	2,237	6,469	6,085
Barley	2,006	2,486	496	427	2,502	2,913
Rye c/	370	375	50	42	420	417
Mixed grains ..	45	50	925	867	970	917
Corn.....	45	74	195	259	240	333
Wheat d/	1,142	(1,300)	448	(400)	1,590	(1,700)
Mill feeds	337	(337)	345	(345)	682	(682)
Total	7,939	(8,470)	4,934	(4,577)	12,873	(13,047)
Stocks, August 1						
Oats	792	704	-	-	792	704
Barley	276	252	-	-	276	252
Rye	60	57	-	-	60	57
Total	1,128	1,013	-	-	1,128	1,013
Total supplies ..	9,067	(9,483)	4,934	(4,577)	14,001	(14,060)
Imports: Corn ..	-	-	120	(120)	120	(120)
Exports e/	-	-	-	-	646	-

a/ 1941 crop estimates as of September 10, 1941, and October 10, 1941; figures in parentheses are unofficial estimates reported by the American Legation, Ottawa. b/ Converted from bushels of 34 pounds. c/ Converted from bushels of 60 pounds. d/ Wheat fed last season and estimated for feeding this season. e/ Oats, barley, rye, and mill feeds.

The official crop statistics of September 10 and October 10 indicate, with an increased allowance for wheat feeding this season, that Canada's total production of feed grains and mill feeds will be in the

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neighborhood of 13 million short tons, as against 12.9 million short tons during 1940-41. Stocks of oats, barley, and rye carried over into the current season totaled 1.0 million tons as compared with 1.1 million last year. Imports of corn this season are expected to be about the same as the small takings of 1940-41. Total supplies, therefore, appear to be practically the same for both seasons. The slight increase indicated for the current year results from the larger estimate of wheat to be fed, which item may actually prove considerably larger. On the other hand, about 650,000 short tons of oats, barley, rye, and mill feed were exported from total supplies for 1940-41. If the restrictions placed on exports this season continue in force, this amount, or only slightly less, can be utilized for domestic feeds.

The increase in domestic requirements of feed grains during 1941-42 will depend primarily upon the expansion of the livestock industry, but complete statistics of livestock numbers are not yet available. It is estimated that little more grain will be needed this year than last for cattle, sheep, and poultry, although milk cows and poultry may be more heavily fed to increase shipments of dairy and poultry products to Britain. The major part of the increase will arise from additional requirements for hog feeding, which are approximated at 250,000 tons of grain.

From these estimates, it appears that the shortage of feed grains for Canada as a whole is not serious, particularly in view of plentiful wheat supplies that can be utilized for increased feeding, together with the possibility of drawing upon stocks of oats, barley, and rye, and increasing corn imports. The location of existing supplies is, however, unfortunate and makes for a rather difficult distribution problem. The greater part of the feed-grain production is in western Canada, while the greater demand is in eastern Canada, the center of the livestock industry.

From the official crop statistics of September 10, it was estimated that the combined 1941 production of oats, barley, and rye in the western Provinces was increased by about 5 percent, but in the eastern Provinces a reduction of about 10.5 percent occurred. The production of hay and clover showed an increase of about 8 percent in the west and a decrease of 29 percent in the east. Later estimates of other feed crops, however, such as corn, mixed grain, buckwheat, and alfalfa indicate that the total production of these crops was somewhat larger than in 1940 and their distribution less unfavorable for the east.

The subsidization of feed-grain shipments from the western Provinces to the eastern part of the country was resorted to last January to relieve a similar but less stringent situation, but Ontario was the only Province to avail itself of the reduction in freight rates. This season, although the problem of shifting surplus feed from western to eastern Canada is more serious, the appointment of a controller of feed grain is expected not only to make the Government's subsidization scheme

more effective but to ease the situation generally. It is intended that he take steps to prevent hoarding, to expedite the orderly movement of feed from producer to consumer, and to give authority for refunding one-third of the freight costs on feed shipments from Fort William to eastern Canada when proof is shown that such shipments were consigned for feeding purposes.

Since the measures taken by the Federal Government will no doubt work less advantageously in some Provinces than others, supplemental assistance in solving feed problems may be offered by the various Provincial Governments concerned. At a Dominion-Provincial conference held on September 10-11, discussions of this possibility took place. Eastern Quebec and the Maritime Provinces appear to be in the least favorable location to take advantage of the present program. They may, therefore, find it advisable to arrange for imports from sections other than the Prairie Provinces or to place some control over marketing that will work to their benefit in conforming to Federal policy directed toward making surplus food supplies available for Britain.

CANADIAN CORN PRODUCTION INCREASES . . .

The first official estimate of the 1941 production of corn for husking in Canada was placed at 11,906,000 bushels from 300,000 acres, according to the Dominion Bureau of Statistics. This compares with 6,956,000 bushels from 186,000 acres reported in 1940 and the 1935-1939 average of 7,010,000 bushels from 172,000 acres. Formerly the Province of Ontario produced all the corn for husking included in Canadian statistics. This season, however, 2,660,000 bushels were reported for Manitoba, harvested from 95,000 acres. Experiments in producing corn for grain have been under way in Manitoba for a number of years, according to a report from the American Consulate at Winnipeg. Because of the short growing season, however, it was first necessary to develop early maturing varieties; of which the Falconer, Northwestern Dent, and Minnesota 13 were the most successful.

CORN: Acreage and production in Canada by Provinces,
average 1935-1939, annual 1940-1941

Year	Manitoba		Ontario		All Canada	
	Acreage	Production	Acreage	Production	Acreage	Production
	1,000 acres	1,000 bushels	1,000 acres	1,000 bushels	1,000 acres	1,000 bushels
Average -						
1935-1939	-	-	172	7,010	172	7,010
1940	-	-	186	6,956	186	6,956
1941	95	2,660	205	9,246	300	11,906

Dominion Bureau of Statistics, Ottawa.

V E G E T A B L E O I L S A N D O I L S E E D S

CHINESE VEGETABLE OILSEED EXPORTS.

HEAVIER THAN FIRST HALF OF 1940 . . .

Chinese vegetable-oilseed exports during the first 6 months of this year were considerably above the same period in 1940, according to a radiogram received from the American agricultural attaché at Shanghai. The increase was due to the unusually large purchases made by Germany and shipped by way of Russia. As this outlet was discontinued late in June, it is believed that total shipments for 1941 may not exceed last year. Exports of unshelled peanuts have decreased since the beginning of the European war, but shipments of shelled peanuts have increased. This is probably due to Japanese influence, as the principal buyers were Taiwan, Japan, and Germany. Sesame-seed shipments to the yen-bloc countries were also heavier during this period.

Official estimates for the 1941 Chinese oilseed crops are not available. The commercial peanut crop is thought to be about normal, as weather conditions were reported favorable during the growing season. Rapeseed production in unoccupied China was slightly below that of 1940, despite an increase in acreage. The Inner Mongolian flaxseed crop is expected to be smaller than the unusually low harvest of last year. Soybean acreage is believed to be larger than in 1940, as food shortages in some areas caused a shift from fields normally planted to cotton.

CHINA: Exports of vegetable oilseeds and oils,
1939, 1940, and January-June 1940 and 1941

Kind of seed or oil	1939	1940	January-June	
			1940	1941
	Short tons	Short tons	Short tons	Short tons
Oilseeds -				
Peanuts in shell	27,667	5,666	3,734	3,133
Peanuts shelled .	51,400	53,867	25,533	33,800
Flaxseed	4,933	1,000	200	933
Sesame seed	9,000	17,600	7,333	13,200
Others	2,133	12,267	467	7,800
Total	95,133	90,400	37,267	63,866
Vegetable oils -				
Tung	36,933	25,600	17,800	17,467
Cottonseed	1,000	867	333	-
Peanut	31,133	27,067	14,333	11,133
Tea seed	2,733	2,333	1,333	200
Others	1,668	4,000	534	4,867
Total	73,467	59,867	34,333	33,667

Compiled by American agricultural attaché at Shanghai.

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C O T T O N - O T H E R F I B E R S

SPANISH COTTON MILLS INCREASE
OPERATIONS . . .

Cotton spinning mills in Spain were given permission to increase operations to a 4-day-week basis in August as a result of the improved cotton stock situation, according to information received in the Office of Foreign Agricultural Relations. Stocks of cotton on hand at the end of July 1941 were estimated at 123,000 bales, which is sufficient for mill requirements for 6 to 7 months at the current reduced rate of operations.

SPAIN: Estimated supply and distribution of cotton
for the 12 months ended July 31, 1941
(In bales of 500 pounds gross)

Year ended July 31, 1941	American	Argentine	Brazilian	Others	Total
	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>
<u>SUPPLY</u>					
Stocks, August 1, 1940					
At mills	-	-	-	-	-
At ports	2,083	-	-	-	2,083
Elsewhere	-	-	-	-	-
Total stocks	2,083	-	-	-	2,083
Imports	-	142,797	78,326	4,182	225,305
Production	-	-	-	7,350	7,350
Total supply	2,083	142,797	78,326	11,532	234,738
<u>DISTRIBUTION</u>					
Estimated cotton mill consumption	2,083	43,118	58,048	8,433	111,682
Exports and reexports	-	-	-	-	-
Burned or otherwise destroyed	-	-	-	-	a/
Total disappearance	2,083	43,118	58,048	8,433	111,682
Stocks, August 1, 1941					
At mills - estimated	-	30,864	11,111	-	41,975
At ports	-	68,815	9,167	2,658	80,640
Elsewhere	-	-	-	441	441
Total stocks	-	99,679	20,278	3,099	123,056
Total distribution .	2,083	142,797	78,326	11,532	234,738

Compiled from official and trade sources. a/ Unknown.

The arrival of 3,276 bales (running) of Argentine cotton on August 1, 1941, brought the total since August 1, 1940, to 167,021 bales. This shipment also completed the delivery of about 120,000 bales of

Argentine cotton purchased under a single contract on February 22, 1941. No additional cotton is expected from Argentina this year because production in 1941 barely exceeded the annual requirements of the Argentine mill industry.

Arrangements for the purchase of an additional 200,000 bales (running) of Brazilian cotton, reported in the Barcelona press on July 31, 1941, (see Foreign Crops and Markets, September 8, 1941) are now said to have been cancelled or were not completed. Other purchases of Brazilian cotton totaling about 196,000 bales are reported to have been made in August. The cotton involved was of types 3 to 6, inclusive, and prices agreed upon were generally higher than those mentioned last month, ranging from 8.38 cents per pound for type 6, 1-1/16 inches, to 12.41 cents for type 3, 1-3/16 inches staple. About 3,000 bales of North Brazilian cotton, types 4 and 3, were included at prices equivalent to 15.60 and 16.02 cents per pound, respectively.

It is believed that the issuance of British navicerts for shipments of this cotton through the blockade will be delayed until present stocks in Spain are reduced to quantities more easily controlled. This fact may be partly responsible for the operation of Spanish cotton mills 4 days per week instead of 3 as in recent months.

The 1941 cotton crop in Spain is reported to be in good condition, and is estimated unofficially at about 12,000 bales compared with last year's production of 7,400 bales.

ECUADOR EXPECTS LARGER COTTON CROP THIS YEAR . . .

Ecuador's 1941 cotton crop is now expected to reach 11,700 bales, despite adverse weather conditions in the early part of the current season. Last year's estimated production of 9,200 bales was not quite sufficient for domestic mill requirements and small quantities were imported from Peru.

Ecuador's soil and climatic conditions are said to be generally suitable for cotton growing and a considerable expansion of acreage may be possible. The chief detriment to the industry in the past has been the inability of farmers to obtain sufficient credit to expand. A recent campaign, by the press and cotton planters, to remedy this situation is expected to bring results when planting begins in 1942. The center of the growing region is in the coastal Province of Manabi just north of Guayaquil. Picking usually begins in August, with the greater part of the crop being picked in September and October.

BOLIVIA INCREASES IMPORT DUTIES TO ENCOURAGE COTTON GROWING . . .

The Bolivian Government, in an effort to encourage domestic cotton production, issued a decree on July 14, 1941, increasing the tariff on imported cotton not destined for factory use by 0.25 boliviano per kilogram (0.25 cent per pound). At the same time, prices of domestic cotton were fixed by the Ministry of Economy at 40 percent above the prices prevailing at the time, as a bonus for cotton growers. The new prices, based on cotton of about 1-1/8 inches staple length delivered at La Paz, ranged from about 10.5 cents per pound for stained or unclassified cotton to 15.0 cents for "fully good" staple. Prior to 1941, the United States had been the principal source of imported cotton, but most of this year's purchases have been made in Peru.

BOLIVIA: Imports of cotton, 1938-1940
(In bales of 500 pounds gross)

Country	1938	1939	1940
	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>
United States	3,307	4,327	3,047
Peru	414	706	974
Chile <u>a/</u>	256	231	-
Brazil	-	68	-
Argentina	-	2	-
Paraguay	-	-	9
Others	9	-	-
Total	3,986	5,334	4,374

Current consular report. a/ Transshipments.

In order to protect the national cotton manufacturing industry, the duties on cotton yarns and piece goods were increased by 0.30 boliviano per kilogram (0.3 cent per pound) and 0.35 boliviano (0.35 cent), respectively. Textile manufacturers will be required to contribute a sum equivalent to 0.25 cent per pound of cotton imported for use in their factories in 1942 and gradually increase the contribution to 10.7 cents in 1950 and thereafter. The funds derived from the industrial contributions and increased tariff are to be used to provide farm implements, seeds, and technical instruction for cotton growers, and for buying or expropriating land suitable for cotton cultivation. It is also planned to establish an experimental farm in each zone with a cotton gin and farm equipment for loan.

Cotton production in Bolivia has been insignificant in the past, amounting to only about 160 bales in 1940, 80 percent of which was produced on one plantation. Cotton is usually planted during September and October and picked from April to June. A preliminary survey indicates that there are approximately 270,000 acres of land suitable for cotton, whereas current acreage amounts to only about 800 acres.

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T O B A C C O

ORIENT SUPPLIES OF FLUE-CURED TOBACCO
FURTHER REDUCED . . .

The estimated 1941 production of flue-cured tobacco in China, Manchuria, and the Japanese Empire has been lowered to 255 million pounds as compared with early season estimates of 275 million pounds and more. (see Foreign Crops and Markets, July 28, 1941). Imports of American leaf and stems continue at a low level. Demand for cigarettes remains in excess of factory output, despite increases in prices, according to American Agricultural Attaché Owen L. Dawson at Shanghai.

China

The 1941 flue-cured production in China is estimated at only 95 million pounds, which is the smallest production since the short crop of 1938 and compares with the 1940 production of 123 million pounds. The 1941 acreage in the principal producing district was reduced as a result of growers' dissatisfaction with marketings of the 1940 crop, and yields were lowered by a scarcity of fertilizers and unfavorable weather conditions in some sections.

Marketing arrangements for the 1941 crop are still uncertain, but it is evident that practically all of the supply reaching cigarette-manufacturing centers will be taken by Japanese interests. The recent freezing of Japanese funds in the United States has made purchases of American tobacco by Japanese manufacturers practically impossible, thereby increasing their dependence on Chinese flue-cured leaf.

Allotments from stabilization funds have been made available for increased importation of American leaf and stems by Chinese, British, and American manufacturers. Shipping difficulties and uncertainties regarding sales of cigarettes by these concerns, however, indicate that their purchases of American tobacco may remain low, even though ample exchange is available. Japanese interests continued to control the movement of cigarettes from factory centers, and, if it appears that restrictions from factories other than those of Japanese nationals is to be tightened, the Chinese, British, and American concerns may manufacture largely from existing leaf stocks and continue restricted imports. Stocks at most Chinese factories are believed small, but British and American interests are reported to have sufficient supplies for several months' operation.

Manchuria

The 1941 Manchurian flue-cured production is still estimated, on the basis of trade information, at 38 million pounds as compared with

36 million in 1940. Recent official estimates, however, place the crop at 56 million pounds as compared with the 1940 official estimate of 33 million pounds. Reports from all sources indicate satisfactory yields of good-quality leaf, but it is believed that the acreage for harvest is substantially below that indicated by official reports.

Supplies of cigarette tobacco carried over from the previous year are estimated at only about 10 million pounds, and the demand for cigarettes continues in excess of production, despite higher prices resulting from recent increases in taxes and higher duties on imported leaf.

Japanese-Empire

The 1941 flue-cured production in Japan, Chosen, and Taiwan is still estimated at 122 million pounds as compared with 120 million in 1940. Imports of American leaf into Empire areas have been prohibited since 1938, and practically all of the output of products by monopoly factories is from domestic leaf. Cigarette consumption is reported at an all-time high, and the demand continues in excess of supplies.

FLUE-CURED TOBACCO GROWN IN WEST CHINA . . .

Extensive experiments in the cultivation of flue-cured tobacco are being carried out in the West China Provinces of Szechwan, Kweichow, and Yunnan, according to a report by Agricultural Attaché Owen L. Dawson at Shanghai. Interest in production in the area results from continued demand for cigarettes and inability to obtain sufficient quantities of suitable leaf from the established flue-cured producing districts, most of which are in Japanese occupied territory.

In Szechwan, which is one of the important producers of native Chinese tobacco, plans are under way to expand cultivation of American flue-cured and other improved types of tobacco to nearly 100,000 acres. Local farmers are being organized into tobacco cooperatives and are receiving instruction in the cultivation and curing of the improved types through the Szechwan Tobacco Experiment Station.

Experimental plantings are being made in Kweichow and Yunnan. In the former Province, substantial production is anticipated in the districts that formerly grew poppy seed. Surveys and trials in Yunnan indicate that extensive areas are especially suited to the production of improved types, including flue-cured.

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F R U I T S , V E G E T A B L E S , A N D N U T SCUBAN GRAPEFRUIT EXPORT SEASON
OPENED IN AUGUST . . .

Exports of grapefruit from the port of Habana, Cuba, to the United States amounted to 2,550,000 pounds during August, the first month of the new shipping season, according to a report from the American consulate at Habana. This represents an increase of almost 18 percent above the movement in the same month last year. The avocado season continued in full swing with shipments only slightly below those for August 1940. For the period January-August, avocado exports dropped by about 15 percent. Papaya shipments showed a decline again in August, and the drop for the current year amounted to 37 percent. The sharp increase in banana exports from Habana is due to the fact that fruit formerly loaded at eastern Cuban ports is now being shipped from this port.

CUBA: Exports of fresh fruit from Habana to the United States,
August and January-August, 1940-1941

Fruit	August		January-August	
	1940	1941	1940	1941
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Papayas	218	143	960	604
Avocados	4,613	4,576	9,527	8,160
Grapefruit	2,170	2,550	2,171	2,550
Plantains	759	623	3,882	4,381
Bananas	33	281	59	455
Limes and lemons ..	37	9	705	419
	1,000 crates	1,000 crates	1,000 crates	1,000 crates
Pineapples	11	6	998	939

American consulate, Habana.

UNITED STATES FRUIT EXPORTS
AT LOW LEVEL IN 1940-41 . . .

The effects of the European war are reflected in the further drop in the United States exports of fresh deciduous fruit and fruit products during the 1940-41 season, July to June. The drop in all products shown in the table on the following page, except fresh grapes and raisins, was substantial even compared with the reduced 1939-40 exports, when the export movement was very small as compared with pre-war shipments. Exports of grapes were actually increased slightly, due to the fact that the normal movement goes to countries that were not directly affected by the

spread of the war; while the relatively high level of raisin exports was due in good measure to lend-lease shipments made during the later part of the marketing year.

The sharpest decline was in exports of canned fruit. Total canned fruit exports amounted to 16,581,000 pounds or about 5 percent of the 1939-40 movement. Among the canned fruits shown in the table below, the sharpest declines were registered for peaches, pears, apricots, and fruits for salad. Fresh apples and pears were also sharply curtailed. Apple exports, the lowest in 30 years, amounted to only 868,000 bushels, or around 7 percent of the pre-war normal movement, while pear shipments, which totaled 471,000 bushels were around 15 percent of the pre-war normal.

UNITED STATES: Exports of specified fruit products, July-June, average 1931-32 to 1935-36, annual 1937-38 to 1940-41

Fruit	Unit	Average 1931-32 to 1935-36	1937-38	1938-39	1939-40	1940-41
Fresh -						
Apples						
In boxes	1,000 boxes	7,762	7,507	7,777	2,251	761
In barrels ..	1,000 barrels	1,548	889	972	374	18
In baskets ..	1,000 baskets	a/ 550	784	1,377	143	53
Total apples	1,000 bushels	b/ 12,870	10,958	11,477	3,216	868
Pears	1,000 bushels	2,186	2,694	3,419	1,861	471
Grapes	Short tons	15,672	35,014	39,929	29,980	30,523
Dried -						
Prunes	Short tons	99,948	107,396	107,016	59,523	19,017
Raisins	do	53,158	70,685	76,622	63,385	43,166
Apricots	do	15,029	16,342	14,420	15,960	1,454
Apples	do	16,128	12,218	15,815	8,370	1,333
Canned -						
Apples and sauce	1,000 cases	357	265	333	287	16
Apricots	do	463	598	734	736	14
Fruit for salad	do	760	724	959	1,031	74
Peaches	do	1,672	1,253	2,148	1,920	88
Pears	do	1,619	1,314	1,717	1,376	55
Pineapples	do	451	560	492	456	35

Compiled from official records, Bureau of Foreign and Domestic Commerce. Apples in bushels of 48 pounds, which equal 1 box or basket and one-third barrel; pears in bushels of 50 pounds; for statistical purposes all canned fruits converted to cases of 45 pounds.

a/ 4 years only.

b/ Does not add since not all averages are for 5-year period.

RECORD 1941 APPLE CROP IN CHOSEN . . .

The 1941 apple crop in Chosen has been estimated at the record level of 5,166,000 bushels, according to an investigation of the Chosen Fruit Association as reported to the Office of Foreign Agricultural Relations. This is about 15 percent above the 1940 production and 130 percent above the average outturn for the 5 years, 1931-1935. The crop in northern Chosen is reported as particularly heavy. Growing conditions have been favorable, especially with good weather at blossoming time and the absence of any frost damage. The increased bearing surface coming from a large number of young trees planted in the 1930's contributed to the expansion in production.

CHOSEN: Estimated production of apples and number of bearing trees, averages 1921-1935, annual 1938-1941

Year	Bearing trees	Production
	Thousands	1,000 bushels
Average -		
1921-1925	1,201	546
1926-1930	1,363	1,004
1931-1935	1,975	2,244
Annual -		
1938	2,833	3,285
1939	3,049	3,813
1940	a/	4,477
1941 b/	a/	5,166

Compiled from consular sources. Converted to bushels of 48 pounds.

a/ Not available. b/ Preliminary.

Chosen for the past decade has been exporting apples to Japan, China, Hong Kong, and Malaysia. The quality of the fruit is considered fairly good, and because of the lower price it has replaced a substantial proportion of the market in the Orient for American apples.

WAR CURTAILS PINEAPPLE EXPORTS FROM BRITISH MALAYA . . .

Exports of canned pineapples from British Malaya amounted to around 435,000 cases (of about 70 pounds) during the first 7 months of 1941 compared with 1,190,000 cases in a comparable period of the previous year, according to information received by the Office of

Foreign Agricultural Relations. Exports in the calendar year 1940 amounted to 1,288,000 cases compared with a total of 2,106,000 cases in 1939. The reduction in exports is due largely to the closing of the British market, which formerly took about 80 percent of the total. The lack of shipping space has been responsible for the curtailment of British pineapple imports from Malaya.

The industry in British Malaya is now operating at a low level of output with only 3 out of 19 registered factories working, and even those are not operating at full capacity. Packers agreed to limit the 1941 season's pack (April to September) to about 500,000 cases. A proviso was added that packing would cease when unsold stocks reached 200,000 cases. Under a special arrangement, several large growers who also own canning plants arranged to pack an additional 50,000 cases, which they will hold until the original surplus of 200,000 cases has been sold. As a result of the limited production, a considerable proportion of the current crop has been rotting in the field, and it has been estimated that between 60 and 70 percent of the fruit will not be harvested.

Agricultural officials anticipate that the acreage devoted to pineapple production will be greatly reduced. Small holders are expected to discontinue pineapple growing and put in other crops. The practice by the larger producers of cultivating the fruit in fields among young rubber trees may be discontinued. Another factor likely to reduce acreage is the fact that the Government of the State of Johore is not favorably inclined to the production of pineapples as a single cash-crop. This attitude is the result of the common practice of planters who cultivated the land for about 4 years and then abandoned it to destructive erosion.

Even before the war the pineapple industry of British Malaya was faced with a surplus problem, and strenuous efforts were made to develop outlets in addition to that for the canned fruit. The production of pineapple juice has not been extensively developed, for packers cannot produce a juice comparable in flavor to that canned in Hawaii. The local fruit, of which the leading variety canned is the Queen or Red Spanish from the West Indies, is not considered as suitable for juice as are certain other varieties, and also Malayan packers have not been able to eliminate sediment or to develop a standard method for the juice. Plant operators are reported as not careful in the production of juice. Despite this situation, some improvement in the pack of Malayan juice has been noted recently, but it is not likely to become competitive with the Hawaiian product.

Experiments in the drying of pineapples are now being carried on at the Government canning stations; and, should they prove successful, a new outlet for considerable fruit may be developed. The appearance

of the dried pineapple thus far produced is not attractive to the consumer. When soaked prior to cooking the fruit resumes a natural appearance, but some of the flavor is lost in the process. It is thought that the product may be used by the pastry and candy trade and for home cooking.

Another recent development has been the canning of jam, and certain observers are optimistic that this may become an important branch of the industry. A favorable report on the forwarded consignment has been received from London, where jam and marmalade are still considered essential foods. It is planned to pack the jam in gallon tins in order to conserve packing space.

A portion of current stocks is being sold to the troops in Malaya. Since pineapples are being issued to the troops only twice a week, it is estimated that this outlet absorbs only about 5,000 cases a month.

These various methods of disposing of the crop are not considered satisfactory or adequate to replace the lost export markets for canned pineapples, but the trade is hopeful that, after conditions become more stable, markets may be developed for the products, especially if canning and drying methods are improved.

As a means of keeping the canneries at work, locally grown vegetables are being canned in increasing quantities. This move is receiving official support, since a supply of canned vegetables will prove valuable in case of emergency. If a good demand for canned vegetables develops, farmers no doubt will plant them in place of pineapples.

The British Malayan pineapple industry is backward when compared with more modern canning industries in other parts of the world, despite active Government encouragement to improve its efficiency. Labor is cheap and is used extensively. Modern equipment and machinery have been only slowly introduced. The cans are handmade and vary considerably in size, so that automatic machinery cannot be used for the entire canning process. It had been hoped that a can manufacturing plant could be established, but this has not been done and now will have to be deferred until the end of the war.

The preparation of the fruit for canning is also backward and is done largely by hand. In the past, Malayan pineapples have sold more on a price basis than on quality. They competed more with the cheaper Japanese (Taiwan) product than with the superior Hawaiian product, and have gone largely to the United Kingdom, where they receive preferential treatment.

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L I V E S T O C K A N D A N I M A L P R O D U C T S

DANISH DAIRY AND POULTRY INDUSTRY SERIOUSLY CURTAILED BY WAR . . .

Denmark's production and exports of dairy and poultry products suffered huge decreases during the first 6 months of 1941 as compared with the same period of 1940, according to recent reports received in the Office of Foreign Agricultural Relations. This reduction is a direct result of the European war and is being felt even more in the present war than in the war of 1914-1918. Estimates calculated from official reports from the Danish Government show that production of butter and milk each decreased 32 percent and of eggs 53 percent during the January-June period of 1941 as compared with the same 6 months of 1940. The reduction in exports was even greater, butter exports having decreased 57 percent, while exports of eggs decreased 58 percent. Exports of fresh milk from Denmark are negligible, even in normal times.

DENMARK: Exports of butter and eggs, January-June, 1941 with comparisons

Month	Butter			Eggs		
	1939	1940	1941	1939	1940	1941
	Million pounds	Million pounds	Million pounds	Million scores	Million scores	Million scores
January	22.0	24.0	12.4	6.9	7.8	3.4
February	22.0	19.8	9.5	6.9	5.3	1.9
March	26.2	26.9	10.1	7.5	6.8	2.1
April	28.3	26.9	10.1	7.3	6.6	3.3
May	29.3	34.8	10.4	7.3	6.7	3.3
June	32.8	27.3	16.5	8.1	6.8	-
January-June ...	160.6	159.7	69.0	44.0	40.0	16.9
July	32.6	17.8	-	8.2	7.7	-
August	30.0	12.6	-	6.5	4.3	-
September	34.5	12.1	-	7.8	3.5	-
October	23.1	9.7	-	5.1	3.9	-
November	24.9	11.5	-	6.0	3.4	-
December	24.7	14.3	-	8.0	4.4	-
Yearly total	330.4	237.7	-	85.6	67.2	-

Statistiske Efterretninger.

In normal times Great Britain is by far the greatest market for Danish dairy and poultry products, with Germany ranking second. It will be noticed by the monthly export figures that reductions in exports were not materially lower until June of 1940, from which time they have been substantially reduced. This was brought about by Germany's occupation of Denmark and the subsequent cutting off, not only of exports of dairy and poultry products to Great Britain, but also of imports of concentrate feeds, which formerly had passed through British ports to Denmark.

Denmark normally ranks among the world's leaders as an exporter of butter and eggs. Many years ago and until about 1860 Danish agriculture consisted mainly of the production of grains, and exports of these products were made chiefly to Germany. Various factors caused a shift, however, to livestock farming, mainly dairy, poultry, and swine production, which represents a more intensive type of agriculture than grain farming. With this change in type of farming the exports naturally changed, and Great Britain became the leading market for Danish butter, eggs, and bacon, which now comprise Denmark's chief export commodities. The shift from grain to livestock farming has resulted in the necessity of Denmark importing a large part of the concentrate feeds to maintain exportable levels of such products.

The present decline in production is a direct result of these feed imports being cut off by the blockade, with the resultant necessity of lowering the animal population. Germany is now understood to absorb practically all of Denmark's existing surpluses of livestock products. It is thought, however, that production will continue to grow even smaller as long as the war lasts, because of steadily depleting feed and fertilizer supplies.

DENMARK: Production of butter, milk, and eggs, average 1931-1935, annual 1936-1940, January-June 1940 and 1941

Period	Butter	Milk	Eggs
	Million pounds	Million pounds	Million pounds
Average 1931-1935	407.4	11,852	203.9
1936	396.6	11,629	253.7
1937	404.3	11,684	276.0
1938	417.6	12,015	274.3
1939	403.2	11,629	296.5
1940	366.0	10,626	253.5
January-June 1940	a/ 204.0	a/ 5,291	a/ 175.0
January-June 1941	139.6	3,624	a/ 83.0

Statistiske Efterretninger. a/ Estimate calculated from monthly averages.

The decrease in the exports of butter is brought about, not only by a lowering of production, but also from a very limited supply of margarine. In normal times, the Danish farmers export most of their butter and consume sizeable quantities of margarine, because of the economy in such a practice. The war, however, has cut off practically all the supplies of oils, with the exception of small quantities of marine oils, from which margarine is made. This has caused the Danish people to consume more butter now than they would even in normal times in order to have sufficient fats in their diet. Thus production has not only fallen, but consumption has necessarily increased to meet the domestic demand for fats.

CUBAN IMPORTS OF AMERICAN LARD
LARGER THIS YEAR . . .

Cuban imports of United States lard so far this year have been 20 percent above last, although the demand fell off somewhat this summer due principally to an accumulation of stocks and a seasonal decrease in consumption, according to information received by the Office of Foreign Agricultural Relations. August imports totaled only 4,754,000 pounds as compared with 5,193,000 pounds in July and 4,402,000 pounds during August 1940. As a result of large imports in the early months of the year, however, the January-August total of imports reached 54,857,000 pounds and was 20 percent larger than in the same months of 1940.

Hog lard continues to sell on a satisfactory basis, this commodity, together with cottonseed, coconut, peanut and soy-bean oils, accounting for the formerly important but now negligible consumption of olive oil. The current upward trend in the price of lard, without a corresponding change in the price of competing oils indicates that mixed lard may again become a factor of some importance in the local market. Sales of compound lard, principally to the baking and pastry trades, remain unchanged.

NEW ZEALAND EXPERIMENTS
WITH NEW METHOD
OF PACKING MEAT . . .

Shortage of shipping space as a result of war conditions has led New Zealand to experiment with new methods of processing meat in order to conserve space and at the same time facilitate shipment without deterioration.

At a recent meeting of the Auckland Branch of the New Zealand Farmer's Union, a block of meat measuring 7 by 8 by 14 inches was exhibited to members. This small parcel was the equivalent of several large sections of beef or of a fully matured lamb and represented an original bulk of beef of five times its size. The manufacture of this beef flour is based on the fact that there is 75 percent water in ordinary beef. In the new process, the water is eliminated by a fairly simple method, and the product, after the necessary treatment, is subjected to high pressure. None of the vitamins or mineral content of the meat are eliminated by the process of condensation.

Several samples were being sent to the New Zealand High Commissioner in London that they might be examined by British meat experts with the purpose of ascertaining whether or not production and export on a large scale would be feasible.

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G E N E R A L A N D M I S C E L L A N E O U S

THE ARGENTINE-UNITED STATES TRADE AGREEMENT . . .

The trade agreement between the United States and Argentina, signed at Buenos Aires on October 14 and provisionally effective on November 15, contains tariff concessions on agricultural products on the part of each of the signatory nations.

Agricultural Concessions to Argentina

The concessions granted to Argentina under the agreement cover United States import items which in 1939 represented 92.4 percent of all merchandise imported for consumption from Argentina that year. These concessions consist broadly of reductions in duty and import-excise taxes, bindings of existing duties, and bindings on the free list.

The existing duty on casein was reduced from 5.5 to 2.75 cents per pound, leaving it a quarter of a cent per pound above the 1922 rate. The combined existing duty and import-excise tax of 3.5 cents per pound on tallow is reduced in the agreement to 1.75 cents, which on the basis of 1939 import values amounts to 60 percent of the value of the product (ad valorem). Imports of oleo oil and stearin, which now pay a combined duty and import-excise tax of 4 cents per pound, will pay the combined agreement rate of 2 cents.

The agreement does not affect fresh meats. Imports of prepared or preserved meats (chiefly canned corned beef and pickled or cured beef and veal), however, under the agreement will pay 3 cents per pound but not less than 20 percent of their value (ad valorem), instead of the 6 cents per pound but not less than 20 percent ad valorem as provided in the Act of 1930. Imports of canned beef and of pickled or cured beef and veal on which concessions are made amounted to 3.1 percent of the domestic production of beef and veal in 1929; 0.9 percent in 1932; 2.6 percent on the average annually during the 5-year period 1935-1939; and about 1.9 percent in 1940.

The duty on flaxseed stood at 20 cents per bushel (56 pounds) in the Tariff Act of 1913; but during the 1920's it was raised to 30, to 40, then to 56 cents, and finally at the onset of the depression in 1930 to 65 cents. In the present agreement it is reduced to 50 cents; and to 32.5 cents for the duration of the existing abnormal situation in the flaxseed trade. The temporary emergency reduction will terminate 30 days after the President of the United States, following consultation with the Argentine Government, proclaims that the abnormal situation is passed. While the emergency continues, with a deficit domestic flaxseed production, the temporary reduction (from 50 to 32.5 cents) is expected to be offset, in whole or in part, by the abnormally high ocean-transportation charges.

The bulk of the wools covered in the agreement are the true carpet wools not finer than 40's, which are imported under bond for the manufacture of carpets, etc. These in effect are bound on the free list in the agreement. The same wools (not finer than 40's) not imported for use in carpet manufacturing carry a flat duty reduction of 11 cents per pound of clean content. The improved or apparel wools (40's and 44's) are reduced a flat 12 cents per pound of clean content.

UNITED STATES: Concessions granted Argentina
on specified products

Product	United States duty	
	Before Agreement	After Agreement
Flaxseed	65¢ per bu.	50¢ per bu. <u>a/</u>
Casein	5.5¢ per lb.	2.75¢ per lb.
Canned beef	6¢ per lb. but not : less than 20% ad val.	3¢ per lb. but not : less than 20% ad val.
Tallow, edible and inedible	3.5¢ per lb. includ- : ing import-excise tax	1.75¢ per lb. includ- : ing import-excise tax
Oleo oil and stearin	4¢ per lb. including : import-excise tax	2¢ per lb. including : import-excise tax
Wools, not finer than 40's, not imported for the mfr. of carpeting <u>b/</u> ..	24.5¢ per lb. average : (clean content)	13.5¢ per lb. average : (clean content)
Wools, n.s.p.f., not finer than 44's	29.5¢ per lb. average : (clean content)	17.5¢ per lb. average : (clean content)

a/ 32.5 cents until termination of the emergency.

b/ Bound on free list in agreement, in effect, when imported under bond for the manufacture of carpeting, etc.

Other individual agricultural commodities on which reductions are made include neat's-foot oil and stock, meat extract, quince jellies, jams, etc., canary seed, corned-beef hash, broom corn, carpet and apparel wools, cattle hides, and dog food. Off-season reductions are made on fresh asparagus, fresh grapes, plums, prunes, and prunelles. Also, in schedule III, reductions are made on sunflower oil, Italian-type cheeses, and prepared or preserved tomatoes. Concessions contained in schedule III, may be withdrawn by the United States any time after conclusion of the Anglo-German conflict, provided 6-months' written notice is given the Argentine Government.

Bindings of Agricultural Products

On pears, yerba maté, advanced in value or condition, and on alfalfa seed, the existing duties are bound in the agreement. In an exchange of notes in connection with the present agreement, it was provided that the question of limiting Argentine pear exports to the United States would be taken up in the near future through a mixed commission provided for in the agreement.

The agreement also binds a number of agricultural commodities on the free list. Included on this free list are crude maté; dried blood; crude bones, bone dust, meal, and ash; animal carbon for fertilizer; tankage; unmanufactured hoofs and horns; sausage casings; horse, colt, and ass hides, and raw skins; carpincho skins; and raw sheep, lamb, goat, and kid skins. The provision for refunding duties on wools not finer than 40's used in the manufacture of carpeting and other specified articles (usually referred to as carpet wools) is bound. Of the preceding list of commodities, crude maté, horse and cattle body hair, and sheep, lamb, and goat casings have been bound on the free list in previous agreements.

Agricultural Concessions Obtained from Argentina

The tariff concessions obtained by the United States from Argentina cover export items which in 1940 (when our export trade as a whole had been affected favorably by the war) represented 30.2 percent of all our merchandise exports to that country. Argentina's self-sufficiency in basic foodstuffs and the great need of that country for manufactured products, however, largely determined the character of the trade concessions obtained by the United States, the majority of which were on industrial items. In addition, guarantees were obtained from Argentina for improved exchange treatment, which will benefit our trade with that country. The United States in 1940, however, supplied Argentina with about \$647,000 worth of agricultural foodstuffs. About a third of this trade will profit directly by the concessions obtained in this agreement.

Fresh and dried fruits are the most important of the United States agricultural products exported to Argentina. The Argentine duties on fresh United States apples, pears, and grapes is cut in half (50 percent) in the present agreement, and the reduced duty is effective immediately. These reductions will apply on United States apples seasonally from October 1 to January 31, inclusive; on pears from October 1 to December 31; and on grapes from September 1 to November 30. These are the seasons when Argentine fresh fruit is off the market and United States fresh fruit usually enjoys its best market there. The duty on prunes is reduced 30 percent, and that on raisins 35 percent. Both of these reductions are effective immediately. Agricultural concessions also were obtained from Argentina on dried peaches, apples, pears, cherries, and walnuts. Favorable Argentine rates on these products are bound against increase.

Concessions also were obtained by the United States on leaf tobacco and cigarettes. Favorable tariff rates on these basically agricultural commodities were bound against increase. These tobacco products in 1940 represented \$653,000 worth of our exports to Argentina.

A detailed analysis of the new agreement will be published in the November issue of Foreign Agriculture.

Index

	Page ::		Page
Late Cables	490	Grains (feed):	
-----		Exports, Canada, 1940-41	492
Apples:		Production, Canada, 1940, 1941 ..	492
Production, Chosen, 1921-1941 ..	503	Lard, imports of American, Cuba,	
Trees(bearing), number, Chosen,		January-August, 1941	508
1921-1939	503	Livestock, numbers, New Zealand,	
Barley:		January 1940, 1941	490
Production, Canada, 1940, 1941 ..	492	Meat, packing method(new),	
Stocks, Canada, Aug. 1, 1940, 1941	492	New Zealand, 1941	508
Butter:		Milk, production, Denmark,	
Exports, Denmark,		1931-1940, January-June 1941 ...	507
January 1939-June 1941	506	Oats:	
Production, Denmark, 1931-1940,		Production, Canada, 1940, 1941 ..	492
January-June 1941	507	Stocks, Canada, Aug. 1, 1940, 1941	492
Corn:		Oils(vegetable), exports, China,	
Area, Canada, 1935-1941	494	January 1939-June 1941	495
Imports, Canada, 1940-41, 1941-42	492	Oilseeds(vegetable), exports,	
Production, Canada, 1935-1941	492, 494	China, January 1939-June 1941 ..	495
Cotton:		Pineapples, exports, British	
Distribution, Spain, 1940-41 ...	496	Malaya, January-July 1940, 1941 .	503
Import duty, increase, Bolivia,		Rye:	
July 14, 1941	498	Production, Canada, 1940, 1941 ..	492
Imports:		Stocks, Canada, Aug. 1, 1940, 1941	492
Bolivia, 1938-1940	498	Tobacco:	
Spain, 1940-41	496	Cultivation experiments	
Production:		(flue-cured), West China, 1941	500
Ecuador, 1940, 1941	497	Supplies, Orient, 1941	499
Egypt, 1940, 1941	490	Trade agreement, Argentine-U.S.,	
Spain, 1940	496	October 14, 1941	509
Stocks, Spain, Aug. 1, 1940, 1941	496	Wheat:	
Eggs:		Exports(incl. flour), U.S.,	
Exports, Denmark,		July 1939-August 1941	491
January 1939-June 1941	506	Production(feed), Canada,	
Production, Denmark, 1931-1940,		1940, 1941	492
January-June 1941	507	Wool:	
Fruit:		Exports to U.S.,	
Exports:		Union of South Africa, July-	
Cuba(fresh), to U.S.,		September 1941	490
January-August, 1940, 1941 ..	501	Prices, Union of South Africa,	
U.S., 1931-32 to 1940-41	502	September 1941	490

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